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CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD



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July 1, 2008

Ms. Gerri Silva, Director
El Dorado County
Environmental Management Department
2850 Fairlane Court, Building C
Placerville, CA 95667-4100

RE: FINAL REPORT – EL DORADO COUNTY, REUSE ASSISTANCE GRANT
AGREEMENT RU8-04-0001


Dear Ms. Silva:

Enclosed is the final report on the audit of El Dorado County's (County) Reuse Assistance Grant, eighth cycle. This audit, required by Public Resources Code, Section 48657, included a review of receipts, expenditures, internal controls, and compliance with the grant agreement provisions for RU8-04-0001, awarded for the period February 1, 2005, through March 30, 2007.

CIWMB congratulates the County on the results of this audit. No findings resulted from review of the County provided information. Although, this review was selective and any result cannot be applied with certainty to County's grant program as a whole, we believe that this audit report is reflective of County's proper grant administration. This final report is intended for your use only.

If you have any questions regarding this report, please contact George Mendoza, Audit Manager, at (916) 324-1358 or gmendoza@ciwmb.ca.gov.

Sincerely,


Susan Villa, Branch Manager
Fiscal Services Branch
California Integrated Waste Management Board

Enclosure

cc: Kerri Williams, Fiscal Administration Manager, El Dorado County
Jeff Rusert, Senior Environmental Health Specialist, El Dorado County
Corky Mau, Branch Manager, Grant and Loan Resources Branch, CIWMB
Steven Hernandez, Section Supervisor, Grant Programs Section-A, CIWMB
Linda Dickinson, Grant Administrator, Reuse Assistance Grants, CIWMB
Mary Berkowitz, Auditor, Audits and Evaluations Unit, CIWMB
CIWMB Audits and Evaluations Unit File



A GRANT AUDIT

County of El Dorado

Reuse Assistance Grant

Final Audit Report

Grant RU8-04-0001

**For the Period February 1, 2005
through March 30, 2007**

**Prepared By:
California Integrated Waste Management Board
Audits and Evaluations Unit**

July 2007

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PREFACE

The California Integrated Waste Management Board awarded a Reuse Assistance grant to El Dorado County. This grant agreement was funded by the Integrated Waste Management Account.

The grant agreements were as follows:

Grant Agreement	Amount	Audit Period
RU8-04-0001	\$49,102.00	February 1, 2005 - March 30, 2007

The objective of this audit was to determine El Dorado County's compliance with the grant agreement. The audit also assessed El Dorado County's compliance with fiscal and statutory requirements, as well as a review of internal controls.

This report is intended for the information and use of CIWMB and El Dorado County's management. However, this report is a matter of public record and its distribution is not limited.

STAFF:

Mary Berkowitz
Auditor

AUDITOR'S REPORT

Mr. Mark Leary, Executive Director
California Integrated Waste Management Board
1001 I Street, MS-25A
Sacramento, CA 95814

The Audits and Evaluations Unit conducted an audit of El Dorado County (County) Reuse Assistance Grant, eighth cycle. Public Resources Code, Section 48657, requires California Integrated Waste Management Board (CIWMB) shall conduct a selective audit of entities to determine whether grants and recycling incentives are being paid out properly. This audit report meets this statutory requirement and is intended for the information and use of CIWMB and County management.

This audit included a review of receipts, expenditures, internal controls, and compliance with the grant agreement provisions for RU8-04-0001, awarded for the period February 1, 2005, through March 30, 2007.

To summarize the grant receipts and expenditures, Statement of Revenue and Expenditures (hereinafter referred to as Statement) was prepared for this agreement executed between CIWMB and the County. This Statement was prepared from the County's records and is the responsibility of the County's management. The audit responsibility is to provide management reassurance on the propriety of grant payments as represented by this Statement.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. These standards require that we plan and perform the audit to provide reasonable assurance as to whether the County is compliant with the requirements of the grant agreement. An audit includes examining, on a substantive and control test basis, evidence supporting sample amounts listed in the Statement and grant compliance disclosures.

As part of the audit, the County did provide a management representation letter. This letter is to confirm the County's representations provided to us explicitly or implicitly, indicate and document the continuing appropriateness of such representations, and reduce the possibility of misunderstanding concerning the matters that are the subject of the representations.

Compliance

The Statement represents fairly, in all material respects, the claimed and audited revenue and expenditures for grant agreements.

As part of obtaining reasonable assurance on the Statement, we performed tests of the County's compliance with certain regulations and the grant agreement. The results of our tests disclosed full compliance with the grant agreement.

Management Controls

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures on the Statement and not to provide assurance on the internal control over financial reporting. We noted internal controls to be adequate.

This report is intended solely for the information and use of the CIWMB and County management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.



Susan Villa, Branch Manager
Fiscal Services Branch
California Integrated Waste Management Board
916 341-6092

July 1, 2008

STATEMENT OF REVENUE AND EXPENDITURES

County of El Dorado
Reuse Assistance Grant
RU8-04-0001
For the Period February 1, 2005 through March 30, 2007

	Claimed	Audited	Matching Share	Questioned
Revenue:				
State Grant	<u>\$49,102.00</u>	<u>\$49,102.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Revenue	<u>\$49,102.00</u>	<u>\$49,102.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
 Expenditures:				
Coordinator	\$23,520.00	\$31,360.00	\$ 7,840.00	\$ 0.00
Driver	21,168.00	30,570.00	9,403.00	0.00
Mileage	3,332.00	3,672.00	320.00	0.00
Membership	872.00	872.00	0.00	0.00
Advertising	210.00	641.00	430.00	0.00
Administration	<u>0.00</u>	<u>10,375.00</u>	<u>10,375.00</u>	<u>0.00</u>
Total Expenditures	<u>\$49,102.00</u>	<u>\$77,490.00</u>	<u>\$ 28,388.00</u>	<u>\$ 0.00</u>
 Excess of Expenditures over/under Revenue		<u>\$ 0.00</u>		

NOTES TO THE STATEMENT OF REVENUE AND EXPENDITURES

El Dorado County Reuse Assistance Grant RU8-04-0001

For Audit Period of February 1, 2005 through March 30, 2007

Note 1 Description of the Reporting Entity

The County of El Dorado (County), a political subdivision of the State of California governed by an elected Board of Supervisors, exercises the powers specified by the Constitution and statutes of the State. The County's reporting entity includes all significant organizations, departments, and agencies over which the County's Board exercises oversight and budgeting responsibilities. Included is the County's responsibility to develop and implement a waste reduction program pursuant to the requirements set forth in Public Resources Code Section 40900, et seq. The County's Environmental Management Department has general responsibility for the County's Reuse Assistance program.

In 1999, in partnership with El Dorado County Habitat for Humanity, Inc., the County opened the ReSTORE as a source of used construction materials for the general public. The ReSTORE acquires donated, used, and new building materials. These materials are either used in building Habitat for Humanity homes or are resold to the community at below wholesale prices.

Note 2 Program Information

The California Integrated Waste Management Board promotes a Zero Waste California in partnership with local government and administers Section 40051 and Section 40186 of the California Public Resources Code by providing funding incentives for local public agencies to promote materials reuse which includes the disbursement of Reuse Assistance Grants from the Integrated Waste Management Account/Fund. The purpose is to educate and motivate people to approach material reuse as the first option in diverting unwanted materials from California landfills.

Note 3 Descriptions of Reuse Assistance Grants

The intent of the grant funds is to provide incentives for local public agencies to promote and apply the concept of reuse by developing or expanding reuse activities. Reuse is defined as using an item over again in its current form without significant processing that alters its material structure. Effectiveness of the program is measured by monitoring quantities of reusable items that are reused.

The County received a grant award in the amount of \$49,102.00, for RU8-04-0001, to assist the County to provide opportunities to reuse items that would otherwise be discarded in local solid waste facilities. The grant term covered the overall period February 1, 2005, through March 30, 2007.

Note 4 Summary of Significant Accounting Policies

Basis of Presentation

The Statements presented in this report were prepared from the County's accounts and financial transactions. The Statements summarize revenue and expenditures recorded by the County during the reporting periods referenced in Note 3. The Statements summarize the County's transactions pertaining to RU8-04-0001. They are not intended to represent all of the County's financial activities.

Basis of Accounting

The County's accounts are maintained on an accrual basis of accounting and in accordance with generally accepted accounting principles practiced in the United States. Under the accrual basis, revenues are recorded when earned and expenditures are recorded when the related liabilities are incurred.

Note 5 Matching Fund Requirement

The County's Environmental Management Department partnered with El Dorado County Habitat for Humanity, Inc., a California corporation, to implement a material acquisition unit for the collection of undamaged, reusable construction and demolition debris, including appliances and various household goods, to sell at the ReSTORE in Placerville, at reduced rates for reuse. All materials are inspected and, if deemed reusable, items are approved before drop off or pick up. The County agreed to provide \$28,388.00, in matching funds for the ReSTORE, to further increase the community's opportunities to reuse items.

Habitat for Humanity, International, is a nonprofit entity using volunteer labor and donations of money and materials to build and rehabilitate houses that are

sold at no profit and financed with affordable loans. The El Dorado County Habitat for Humanity, Inc., ReSTORE is staffed by volunteers and paid labor.